


# The CALIFORNIA LICENSED CONTRACTOR



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## Importance of the Building Industry

By ARTHUR ALBER, *Registrar of Contractors*

The tremendous importance of the construction industry and its constant influence upon every one of us is appreciated by few people and probably is not even correctly evaluated by those engaged in the construction industry itself.

The construction industry is the largest in the State of California, excepting only agriculture.

The construction industry directly and through the sources of its supplies is the greatest employer of skilled labor in California.

The construction industry has created more of the permanent wealth of California than any other division of commerce or industry.

Finally, the construction industry is the source of supply for one of man's few basic needs—shelter.

The ease with which business is taken care of, the comfort in which we live at home, the safety and protection we enjoy against nature's forces, the multiplied use of ground space for economical commercial life—are all the results of the efforts of the construction industry.

The term "construction industry" I use primarily to denote men engaged in actual construction itself, such as contractors, subcontractors, workmen, and certainly not excepting the architect and engineer.

The present organization of the building business has been a matter of evolution. Certainly there are few who will say that the general contractor is an unnecessary element. And one who states that the subcontractor may well be done away with can hardly find support for such conjecture. Naturally, labor is the keystone of the whole structure, and its importance is becoming more and more recognized as times goes by.

During the recent or recurrent business slack it is interesting to note that governmental experts and economists throughout the country have looked to building as the one means of more quickly stimulating the ready exchange of money and thereby restoring better business conditions.

Students of sociology and civic authorities

have long recognized the fact that the moral tone of our people is raised as we increase the percentage of our home owners and property holders.

But the attitude of the public toward the construction industry is not an enlightened one. The value of the industry to the public is not properly recognized. The ability of the industry to serve the public is not utilized as fully as possible. And the industry has not itself fully used its own power to secure recognition of its rights and its value in order to assure for itself public support and esteem which it should have.

For many years government has recognized the basic importance and necessity of agriculture, and today great sums are spent by the people of the State of California from general tax income in order to assist, stabilize, and encourage agriculture.

But has the construction industry ever asked for—in a concerted, strong voice—any assistance? Certainly, it has received none from the people. Probably the only piece of legislation which is of direct benefit to the construction industry itself is the Contractor's License Law. But this law was enacted as a matter of protection to the public and its benefits are only secondary as far as the construction industry is concerned.

The Contractor's License Law is itself financed by contractors through the license fees. Theoretically, probably the cost of the annual license is passed on through the contractor's overhead to the building public, but the entire expense of administration of the department is so small and the annual fee required of each contractor is so insignificant that it is safe to say that the public has not as yet seen fit to allot tax funds for the betterment and the strengthening of the construction industry.

Is it too much to hope for a state-wide organization including in its membership a majority of licensed contractors? Is it even too much to hope for a state-wide organization among gen-

(Continued on page 3)

**CONTRACTORS'  
HANDBOOK  
GOES TO PRESS**

**See Page 2**

## The California Licensed Contractor

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Branch Office

October 1938

## CONTRACTORS' HANDBOOK GOES TO PRESS

Publication of a Handbook for Contractors, approved by the State License Board in October, 1937, has commenced with the receipt of consent from the Departmental Director, Mr. A. I. Stewart, and the State Department of Finance. Copy for the handbook has been sent to the State Printer, and the document will be ready for distribution shortly through the Supervisor of Documents, State Capitol, Sacramento, and also by the Inspectors of the Contractors' State License Board.

A long standing request from the industry for a compilation of this sort resulted in the final approval by the State officials, who have been convinced of the necessity for the document and the probable demand, following a thorough study of the proposal.

Designed to be a quick reference book for contractors, the handbook will print the full Contractors' License Law and also a brief synopsis of the same act. The functions of the department will be explained by an article by Arthur Alber, Registrar, and the board's full rules for licensees will be given.

A digest of the Mechanics' Liens Laws, which has been approved by the Attorney General's office, will be included, and also a brief digest

of the Workmen's Compensation Insurance Act. From the State Labor Code all classes of contractors' sections have been chosen which deal with the every day problems of contracting business. In this division there will be shown the State law governing time and place of payment of wages, and similar material.

The Construction Safety Orders of the Industrial Accident Commission are printed in full, and also a price schedule of the Construction Safety Orders of the Industrial Accident Commission should contractors need to avail themselves of extra copies of special orders applicable to their particular line. Digests of the California Unemployment Insurance Law and of the Federal Old Age Pensions Act have been prepared, showing the tax rates and enumerating the forms to be filed.

The State Housing Act, California's nearest approach to a Building Code, is printed in full. (Heretofore, copies of the Housing Act alone have sold for fifty cents.)

The price of the handbook is set at fifty cents, which will return to the State License Board the cost of printing, if the issue is fully sold. Only a limited order has been given the State Printer.

This publication is a very comprehensive document, and carries either in full or in digest form practically all those State laws and rules and regulations which are applicable to all classes of contractors. The purpose of the handbook is to place in the possession of licensees quick, accurate information, so that they may know their rights and avoid difficulties. The project is on a nonprofit basis, and has resulted from the growing insistence from the industry that the State License Board undertake the compilation of this guide which will make available in convenient form information necessary to construction operators, both large and small.

Copies of the handbook may be secured from inspectors of the board and mail orders will be filled at Sacramento. Send requests, accompanied by a check for fifty cents, to the Supervisor of Documents, State Capitol, Sacramento.

## BOARD REELECTS BUTCHER AND FORD

At the July meeting of the Board, Roy M. Butcher, San Jose, was reelected Chairman, and Stephen L. Ford, Long Beach, was reelected Vice Chairman of the Contractors' State License Board for the new State fiscal year.

A report on the Inspectors' School was presented by Registrar Alber, who also discussed methods of strengthening the application form now in use. Assistant Department Director, Fred A. Taylor, reported to the Board on its expenditures for the past year, and discussed the budget for the new twelve-month period.

The Contractors' Reference Book is published for you. Described elsewhere in this issue.



## Across the Registrar's Desk

By ARTHUR ALBER, Registrar

"Jerry-builder, n. A builder who erects cheap buildings of poor material and unsubstantial construction."—Taken from Webster's Unabridged New International Dictionary, Second Edition. So the appropriate name has been used sufficiently to become established!

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A synopsis of the Contractor's Law was sent with every renewal application to all of our licentiates, about the first of June. Few of the contractors read the synopsis. It's not too late now to check it over carefully. This office can cite instances of severe financial losses suffered by contractors, which losses would have been avoided had they known the provisions of the Contractors' License Law as set forth upon these forms which have been sent every year with the renewal notice.

## REGISTRAR UPHELD IN TWO SUPERIOR COURT DECISIONS

Two defendants who attempted to reverse decisions of the Registrar through appealing to the courts were denied release recently. In one case the defendant also asked personal damages, which the court likewise denied.

The first case has been in the courts for some four years, and arose in San Mateo County when the license of a feminine contractor was revoked. The Registrar, at that time, was Colonel Carlos W. Huntington, and the decision was signed by Glen V. Slater, then and now Assistant Registrar. An appeal was taken from the decision of the Registrar and suit was also brought against Huntington and Slater. The court upheld the action of the Registrar, however, and also upheld the constitutionality of the Contractors' License Law. Naturally, the defendant's demand for damages was disregarded.

In the other case, a contractor was suspended in October of 1937, for thirty days and until such time as he should remedy certain defects in the construction of a building which he had completed. The contractor failed to remedy the defects, and petitioned the superior court for a writ of review. The Attorney General, on a demurrer for the Registrar, was able to have the writ of review thrown out. The contractor then brought a mandamus action, and the Registrar went into court and presented all the available proof in support of his decision.

The contractor contended in his case that the building had been approved by the F. H. A. inspector, and therefore the owner could not bring a charge for violation of plans and specifications. The court upheld the Registrar's decision of suspension.

## LICENSES MAY BE SUSPENDED FOR DEPARTURE FROM PLANS OR SPECIFICATIONS

Many contractors fail to realize that action may be taken against their licenses for a violation or a disregard of a plan or specification, even if the particular plan or specification was not reduced to writing.

It is only necessary to prove the plan or specification that was to be followed, and if proof can be established orally in the absence of a written document, the contractor can be held liable for any departure from that oral agreement.

Thus a contractor who signs up a job without written specifications, but orally guarantees that the workmanship shall be first-class throughout and that the material used shall be the best in its respective kind or class, lays himself open to an action if he does not follow the oral specifications.

The commonly found belief that a binding contract can not be made except in writing is not correct.

(Continued from page 1)

eral contractors only, of all types of subcontractors? It may be that the construction industry's voice will have to be heard in the future as it has in the past, merely through the local organizations of the various groups, which from time to time combine together for state-wide objectives.

But not all of the necessary work of establishing the construction industry in the minds of the public in its proper place can be done by organizations. Every contractor should keep an attentive ear open for opportunities to point out to those with whom he comes in daily contact the magnitude and necessity and vital force that lies in the construction industry. Disparaging remarks directed at the industry or at divisions of the industry should be vigorously opposed. Wherever an outstanding construction fete has taken place, or where a contractor has rendered a particular service to his community, his fellow contractors should seize the opportunity to issue word-of-mouth publicity, or by any other form of announcement that comes to hand.

The crafts, themselves, should carefully keep their difficulties with each other to themselves and present a united front to the public.

The leaders in the construction industry have long dreamed of the time when the builders would arrive at "their place in the sun." I believe that it is not impossible for this to be accomplished. I really believe that progress is being made along that line. I believe, however, that the progress is far slower than is necessary, and that if each licensee will bear in mind these few facts and make the most of these suggestions it will be but a few years before the practical results of such a program or campaign will be noticeable.



## NEW INSPECTORS APPOINTED

Increased business and the necessity of replacing Inspector Adam Haberland of Los Angeles, deceased, resulted in the recent appointment of six new civil service inspectors since the first of the year. The new inspectors are: J. H. Ashbaugh, A. F. Berlund, William H. Hughes, Frank H. Cress, Nat H. Neff, and Harry R. Davis. All are well qualified by experience, and passed at the top in State examinations.

Prior to this State appointment, Inspector Ashbaugh of Los Angeles worked for the State as inspector in the Materials and Research Laboratory of the Division of Highways, and also as inspector for the State on the San Francisco-Oakland Bay Bridge. His education included civil engineering at the University of California at Berkeley, and in addition to his State service he has held positions with contractors on highway and bridge work.

A. F. Berlund, born and educated in San Francisco, has been engaged in construction work most of his life. A spell in the army is recorded, and he has from time to time handled "inside jobs." Inspector Berlund was previously with the State Division of Highways.

William H. Hughes of San Bernardino, with the exception of two terms in the army, has been engaged in the construction business all his life. Born in Omaha, Nebraska, he was schooled in Chicago. He served a term in the Illinois National Guard at the time of the border trouble, and served in the Signal Corps and in the Air Service from 1917 to 1919. He has been in California since 1923, serving as architect's superintendent and superintendent of construction on various projects around Los Angeles. Hughes was in public service prior to his appointment under the State Board. He was employed by the State Division of Architecture, and by the city of San Bernardino as Building Inspector.

Frank H. Cress, a World War veteran, has been in the contracting business for approximately twenty years, with most of his work being on Public Works projects including many large school buildings. His previous experience also included work as an estimator.

Nat H. Neff is a civil engineer with wide experience in construction work. He was formerly county surveyor of Orange County.

At the time this copy goes to press authorization for the appointment of an additional inspector has been given, and before the close of October he will have been chosen from the civil service list and will be at work in the field.

All appointments of the Registrar are under civil service laws and successful examinees must have first passed the strict four-hour written examination and an oral examining board must likewise have quizzed them. The civil service examination held by the State Personnel Board for positions such as inspector for the Con-

tractors' State License Board are prepared by practical men with past construction experience of their own and who also are thoroughly qualified in personnel work.

## DIRECTORY OF CONTRACTORS VALUABLE TO LICENSEES

With publication of the Alphabetical Directory for the present fiscal year announced and the State Printer nearly ready to complete the job, attention is again called to licensees and to others interested that the Registrar publishes a complete directory service consisting of an alphabetical and a geographical directory and also supplements to the alphabetical register.

In the light of the experience of many contractors who have engaged unlicensed men as subcontractors or who have taken work from unlicensed general contractors, the Department calls to the attention of the industry that the price of this service is only \$4, which is actually less than the cost of composition and publication.

The close parallel between prosecutions of unlicensed contractors and complaints filed shows that those who do business with unlicensed contractors are usually injured by the illegal operator, and while prosecutions by the Department follow when the matters are discovered by our inspectors, no sentence of the court for contracting without a license is going to assist the victim to recover his losses.

In the southern territory of the State during the past three months a number of prosecutions in the municipal and justice's court resulted in fines totalling as high as \$100 and a fair number of jail sentences. In almost every one of these cases the Department's records show that some other contractor or material man was victimized and was unable to recover his damage.

The directory may be purchased from any of the offices of the Registrar and those desiring to inspect the style of the publication will find them in the hands of the inspectors of the board.

### PUBLICATIONS FOR THE CON- STRUCTION INDUSTRY

#### DIRECTORY OF CONTRACTORS

Price \$4. Available at the offices of the Registrar.

#### HANDBOOK FOR CONTRACTORS

Price 50¢. Mail orders to Division of Publications, State Capitol, Sacramento, or copies may be secured from inspectors of the Contractors' License Board.